



## *CHAPTER 7* Implementation



### **A. How a Specific Plan Can Facilitate Private Economic Investment**

A Specific Plan generally provides direction for future development and improvements for both the public and private sectors. The ultimate goal of such a planning effort is to attract desired private economic investment to a specific area. In this Specific Plan, Chapters 3 and 4 set forth a vision, policies and standards for private development, while Chapters 5 and 6 recommend various public improvements.

A city can facilitate private development by creating an environment conducive to development through the actions and policies of a Specific Plan. These include: creating zoning that is responsive to the market demand for various land uses; allowing increased density in appropriate areas; allowing parking reductions in higher density areas with transit and shared parking opportunities; streamlining the entitlements process for desired project types; providing area-wide public improvements, such as parking, infrastructure, landscaping, street furniture, etc.; marketing the area with a new or enhanced identity; and providing code enforcement to improve the visual appeal of the area. This Specific Plan accomplishes all of these items through adoption of the Plan itself, as well as through future implementation of the Plan by various City departments.

In addition to the above actions and policies, a city can also provide direct or indirect financial assistance to area businesses, property owners, and key development projects. This could include initiatives such as: waiving or reducing various local fees and taxes; assembling development sites; providing loans and/or grants for various business and property improvement purposes such as building facade improvements; and investing in site- or project-specific infrastructure.

### **B. Land Use Potential and Mixed Use Designated Areas**

The Magnolia Avenue Specific Plan acts as an overlay zone to the base zoning established in the Riverside Zoning Code and Zoning Map. A significant portion of the plan area relies on the base zoning to bring about the desired changes without suggesting a change or modification to the zoning. This is due to the fact that the City has recently prepared the General Plan 2025, which includes an updated Zoning Code and Zoning Map, in which new land use designations based on current market studies and projections were established. The key demographic trends and market factors for the major land uses are summarized in Appendix 1. This Study was prepared in 2003 as part of the planning process for this Specific Plan.

The importance of land use changes in this Plan lie in the areas that have been designated Mixed Use in General Plan 2025, but have not yet been rezoned to Mixed Use on the Zoning Map. These areas, due to their location, urban quality, redevelopment potential, and proximity to transit, offer a prime opportunity for higher density residential and mixed use projects that will be required for financially viable development. By adopting the Mixed Use Zoning recommended in this Plan, a greater variety and mixture of land uses and structures will be permitted than what is allowed by the current base zoning, including a higher density for residential projects. Implementing catalytic projects at opportunity sites will help to “kick start” revitalization along deteriorating portions of the corridor.

In addition to the land use changes, a significant focus of Plan implementation should focus on streetscape improvements, particularly landscaping, and urban amenities in the public realm. This can be accomplished through both City-financed improvement projects and developer dedications and improvements per the recommendations of Chapter 6 (Streetscape Improvements) of this Plan. Also, a major direction of the Plan should be on revitalization of existing development, including adaptive reuse of existing structures. The flexibility in site planning offered by the Mixed Use Zones will help accomplish this goal.

### C. Recommended Implementation Strategies

The following is a list of strategies that the City can initiate to implement the objectives and recommendations presented in the Magnolia Avenue Specific Plan. Section E of this Chapter identifies a general phasing approach for the key strategies.

- **Implement Mixed Use Zoning** – Implement mixed use zoning in the areas designated Mixed Use in General Plan 2025 to provide clear direction and regulations for new development. To incentivize mixed use development, it is recommended that the City initiate the required zone changes, per Article V of the Municipal Code, to the appropriate Mixed Use Zone (consistent with the General Plan), concurrent with the applicant’s submittal for Site Plan Review.
- **Prepare a Streetscape Plan** – Prepare a Streetscape Plan for Magnolia Avenue based on the landscape concept in Chapter 6. The Streetscape Plan should identify exact street tree locations, establish minimum tree sizes, and set forth a plan for removal/relocation of existing trees that are not part

of the landscape concept. The Streetscape Plan should also address vehicular and pedestrian-scaled lighting, street furniture, sidewalks and intersection improvements.

A Streetscape Plan is necessary in order to provide information to developers of large projects about where and how to install public improvements along their property frontage. It is also important for the City to begin implementing public improvements along Magnolia Avenue where the private sector is not expected to make the improvements. A Streetscape Plan is crucial component of Specific Plan implementation in order to view Magnolia Avenue as a cohesive, unified corridor.

The recommended improvements of the Streetscape Plan should be included in the City's Capital Improvement Program (CIP).

- **Assist in Land Assembly** – Assist private developers in land assembly and lot consolidation. Often development in a largely built-out Specific Plan area is facilitated by land assembly efforts of the public sector, where a city purchases small parcels of land and assembles them into market-ready development sites that are resold to private developers. The Magnolia Avenue Specific Plan area runs through three City of Riverside Redevelopment Project Areas: La Sierra/ Arlanza, Arlington and Magnolia Center.
- **Increase Joint Planning Efforts with the Riverside Transit Agency (RTA)** – Increase joint planning efforts between the City and the RTA to ensure that Bus Rapid Transit (BRT) is implemented along Magnolia Avenue and to coordinate the location of BRT stations with supporting transit-oriented development projects and major pedestrian nodes. Keep RTA informed of new projects submittals in the Specific Plan area and allow for RTA review of larger projects for transit-friendly design elements early in the development process.
- **Incentivize Development** – Incentivize the development directions of Specific Plan. The City can create incentives for development of the corridor through public subsidies, public loans, the expediting of the City review processes or improving publicly-owned properties.
- **Consider Parking Districts** – Consider Parking Districts at appropriate locations along the corridor (La Sierra District, Arlington Village and Magnolia Center) to address future parking needs and encourage development in the Specific

Plan area. There are a variety of ways to establish and implement Parking Districts, however, the process generally follows these steps:

- Hire a traffic consultant who specializes in parking studies and parking management.
  - Work with businesses, property owners and developers to define and target potential sites for parking areas.
  - Purchase sites as they become available, and according to the priorities established with businesses, property owners and developers.
  - Determine the amount for in-lieu fees based on land costs and estimated program costs. This differs considerably between communities depending on location, market value of land, and varying programs and facilities (i.e., surface parking or structured parking).
  - Parallel to the above steps, work with City Attorney to set up the legal procedures for in-lieu fees.
- **Maintain Arlington Business Improvement District (BID) and Consider Additional BIDs** – Maintain the Arlington BID to continue improvements and maintenance in Arlington Village, and consider the establishment of BIDs in other areas of the Specific Plan, such as Magnolia Center.

#### **D. Financing Mechanisms**

In order to implement the Magnolia Avenue Specific Plan, a combination of public and private financing mechanisms will need to be used to fund the improvements identified in the plan – both public improvements as well as site development. This section identifies potential financing options, many of which are already being used, that are available to the City, its Development Department, and business and property owners to implement proposed improvements.

##### ***Capital Improvement Program***

The Capital Improvement Program (CIP) is the City's multi-year planning instrument used to facilitate the timing and financing of capital improvements. The CIP identifies the funds available for capital improvement projects and the priority use of these funds, but does not have its own funding source. Planned infrastructure improvements along the Magnolia Avenue Corridor could be added to the City's CIP listing with funds available to the City from multiple sources.

***Redevelopment/Tax Increment Financing***

The Magnolia Avenue Specific Plan area runs through three City of Riverside Redevelopment Project Areas: La Sierra/Arlanda, Arlington and Magnolia Center. Tax increment revenues generated in these Project Areas could be used toward construction of public improvements such as infrastructure and parking; land assembly and disposition; direct property acquisition; payment of permits and fees; and rehabilitation loans and grants.

***Community Development Block Grants (CDBG)***

Community Development Block Grants are annual grants provided to cities and counties from the U.S. Department of Housing and Urban Development (HUD) for use towards economic development, public facilities, and housing rehabilitation. Communities receiving CDBG funds are eligible to apply for Section 108 loans to fund large development projects. The loans are repaid through a community's future CDBG funding. Loans may be used for property acquisition, rehabilitation of publicly owned real property, related relocation, demolition and site work, financing costs, and housing rehabilitation. Using this mechanism, the City could raise some of the improvement funds for the Specific Plan area on a one-time basis for economic development purposes.

***Transportation Funding Sources***

There are a variety of county, state and federal funding sources potentially available for transportation infrastructure. Measure A, passed by Riverside County voters in 1988, raised the County sales tax one-half cent for transportation projects that include carpool lane construction, Metrolink commuter rail service, improvements to intersections and congested roads, and specialized transportation services. The State Transportation Improvement Program (STIP)/Regional Improvement Program (RIP) provides funding toward the improvement of transportation systems including state highways, local roads, public transit, pedestrian and bicycle facilities, and intermodal facilities. Federal transportation funds, available through the Transportation Equity Act for the 21st Century (TEA-21), provides an annual allocation of Federal funds for highways and surface transportation, mass transit, and highway safety. Programs funded under TEA-21 include a transit enhancement program to improve the quality of life in or around transportation facilities. Transit enhancement activities include landscaping and scenic beautification, historic preservation, acquisition of scenic easement and scenic or historic sites, provision of pedestrian and bike facilities, and control and removal of outdoor

advertising. Although it is recognized that transportation funding is extremely competitive and available funds are limited, the adoption of a Specific Plan with a strong transit component can improve the City's ability to obtain funding.

### ***Business Improvement Districts***

A Business Improvement District (BID) is a defined geographical area in which business owners and/or property owners agree to assess themselves annual fees as a means of funding activities and programs intended to enhance the business environment. The fees can be applied toward a wide range of activities including, but not limited to, marketing and promotion, security, streetscape improvements and maintenance, parking improvements, public art, and special events. Once established, the annual BID fees are mandatory for businesses/properties located within the BID boundary. By pooling resources and coordinating efforts, the business community can invest in mutually beneficial improvements that they could not afford or manage individually.

The Arlington Business Improvement District, a business-based BID, was formed in 2002 to improve and enhance the Arlington business environment. Assessments and charges are being used for general business promotions, business activities, promotion of events, advertising to promote area businesses, landscaping, clean-up activities, and physical improvements.

### ***Special Assessment Districts***

Special Assessment Districts are used to fund capital facilities such as roads, water, sewer, and flood control, as well as streetscape improvements, landscape and other use-related improvements within a defined district. This could be especially beneficial along Magnolia Avenue where significant long-term landscape improvements are proposed. Special Assessment Districts are created to shift the financing of infrastructure from all taxpayers to only those who benefit specifically from the improvement. Typically, property owners petition a city to form a district to finance large-scale infrastructure improvements. Special Assessment Districts require assessments on property owners in proportion to benefit received.

### ***Parking Districts/In Lieu Fee Program***

Parking Districts provide funding for the acquisition, improvement, and operation of shared parking facilities. Funds are collected through an assessment on properties located within the district that will benefit from the parking.



Parking Districts can be very effective tools to help create more parking and efficient use of existing parking spaces. Formation of one or more Parking Districts at key nodes along the corridor will allow owners of smaller buildings to avoid providing their own on-site parking and ensure that parking in the area is managed and operated in an efficient manner. Shared parking arrangements help to maximize the use of parking resources, both public and private, in the near-term and future.

City/Agency assistance toward the cost of parking provides an important incentive to new business (retail, restaurant) development. In other words, this removes the financial burden of parking from the developers or operators of retail/restaurant space, making their investments more competitive. The City/Agency investment in parking can be somewhat offset by user fees.

Payment of in-lieu parking fees by private developers can also contribute toward the provision of public parking. Developers can be relieved of their on-site parking obligations through payment of a parking in-lieu fee. On this basis, then, the City/Agency would have in place a mechanism to recapture some portion of its investment in parking.

#### ***Private Property Owners/Developer Exactions***

Many cities require that private developers contribute funds toward, or directly install, selected public improvements such as circulation and streetscape improvements. This option may be appropriate for certain types and scale of development along Magnolia Avenue, particularly where the private development will directly benefit from the proposed public improvements.

#### ***Historic Investment Tax Credits***

There are several historic buildings along Magnolia Avenue in the project area. Federal investment tax credits for historic rehabilitation are available to all income-producing properties that are listed in, or eligible for listing in, the National Register of historic places either individually or as a contributor to a district. A project can qualify to recover 20% of its rehabilitation costs. Buildings that are not listed in, or eligible for, the National Register, but were put in use prior to 1936 can qualify for a tax deduction, which is 10% of the rehabilitation costs.

In addition to the programs listed above, the following financing mechanisms are potentially available to assist private developers with affordable and mixed-income housing developments:

***Redevelopment Housing Set-aside***

California Redevelopment Law requires that 20% of a redevelopment agency's annual tax increment be "set aside" for the purpose of increasing, improving, and preserving affordable housing. Housing set-aside funds, which benefit persons and families at or below 120% of the County of Riverside median income, are placed in a separate low- and moderate-income housing fund and may be used toward site acquisition; rehabilitation; new construction; site improvement costs directly related to an affordable housing project; payment of principal and interest on bonds used to fund an affordable housing project; direct assistance to qualified buyers of affordable housing.

***Low Income Housing Tax Credits***

Available to developers of affordable rental housing, the Low Income Housing Tax Credit (LIHTC) program allows developers of affordable housing projects to receive a tax credit against an investor's income tax liability. At least 20% of a project's units must be occupied by and affordable to households with incomes at 50% of Area Median Income (AMI); or at least 40% of the project's units must be occupied by households at 60% of AMI.

***Tax-Exempt Multi-Family Housing Bonds***

Tax-exempt multi-family housing bonds provide below-market financing for affordable rental projects. The bonds are allocated by the California Debt Limit Allocation Committee (CDLAC). For interest on bonds to be tax-exempt, the bonds must be issued by a city, county, housing authority, or redevelopment agency. Proceeds from the sale of the bonds can be used for new construction and permanent financing as well as the purchase and rehabilitation of an existing property.

***Home Investment Partnership Program***

The Home Investment Partnership Program (HOME) provides Federal funding to state and local jurisdictions for the purpose of expanding the supply of affordable housing for very low and low-income households and building the capacity of local non-profit developers and state and local governments. Jurisdictions receiving HOME funds are required to provide matching state, local, or private funds at a ratio of one dollar for every four HOME dollars expended. HOME funds can be used toward tenant-based

rental assistance, relocation costs for persons displaced by HOME activities, rehabilitation of existing properties, the new construction of rental or for sale housing, and financing assistance for first-time homebuyers. HOME funds are allocated based on a formula reflecting a jurisdiction's housing need. Participating jurisdictions must set aside 15% of their allocations for housing owned, developed, or sponsored by Community Housing Development Organizations (CHDOs).

## **E. General Phasing Strategy**

The purpose of the phasing strategy is to describe the general approach to achieving the most revitalization of Magnolia Avenue in the least amount of time. The phasing strategy for revitalization requires a public/private partnership with coordinated investments.

### ***Step 1: Implement Mixed Use Zoning***

Begin working with developers to implement mixed use zoning on catalytic sites.

### ***Step 2: Prepare a Streetscape Plan***

Prepare a Streetscape Plan for the entire corridor, as described in Section C. The Streetscape Plan should recommend cohesive, unified improvements for the streetscape based on the recommendations in Chapter 6 of this Specific Plan.

### ***Step 3: Obtain Funding***

Apply for available outside funding sources and/or utilize available City funding for all, or portions of, the Streetscape Plan. Applicable outside funding sources include County or State open space funds, gas tax funds, grants, etc.

### ***Step 4: Create Marketing Materials/Target Developers***

Create developer recruitment materials, such as brochures, presentation materials, for the corridor as a whole or for selected areas along the corridor. Conduct a targeted solicitation of desired developers based on research of past projects and types of development, consistent with the permitted uses and design standards of the Specific Plan.

Steps 1-4 should be conducted simultaneously to reduce the overall time for achieving results.

### ***Step 5: Recruit Developers and Tenants***

Enter into a developer recruitment process. This should be a

coordinated effort by the City and its Redevelopment Agency to recruit the selected developers identified in Step 4. The City can also take an active role in identifying and recruiting desirable tenants. This should be closely coordinated with the developer recruitment.

***Step 6: Schedule Implementation***

Five-year implementation plans should be prepared that consider the timing of public improvements and public/private partnerships in order to maximize effectiveness.

***Step 7: Revisit and Revise the Specific Plan***

The Magnolia Avenue Specific Plan should be periodically revisited to ensure that new development and improvements are meeting the overall goals of the Corridor. If certain recommendations are not having the anticipated effects required along the Corridor, they should be modified as necessary.